

**CROWVILLE FIRE DISTRICT**  
Crowville, Louisiana

**General Purpose Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended  
December 31, 2014  
With Supplemental Information Schedules**

CROWVILLE FIRE DISTRICT

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**Accountant's Compilation Report**

BOARD OF COMMISSIONERS  
CROWVILLE FIRE DISTRICT  
Crowville, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the Crowville Fire District, a component unit of the Franklin Parish Police Jury, as of December 31, 2014, and for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The management's budgetary comparison information on page 5 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.



West Monroe, Louisiana  
January 15, 2015

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

CROWVILLE FIRE DISTRICT  
Crowville, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 2014

	GOVERNMENTAL FUND TYPE - GENERAL FUND	...ACCOUNT GROUPS... GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>				
Cash and cash equivalents	\$62,971			\$62,971
Receivables	106,825			106,825
Land, buildings, and equipment		\$758,380		758,380
Amount to be provided for retirement of general long-term debt			\$21,038	21,038
<b>TOTAL ASSETS</b>	<u>\$169,796</u>	<u>\$758,380</u>	<u>\$21,038</u>	<u>\$949,214</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	\$694			\$694
Bonds payable			\$21,038	21,038
<b>Total Liabilities</b>	<u>694</u>	<u>NONE</u>	<u>21,038</u>	<u>21,732</u>
Fund Equity:				
Investment in general fixed assets		\$758,380		758,380
Fund balances:				
Reserved for debt service	6,299			6,299
Unreserved - undesignated	162,803			162,803
<b>Total Fund Balances</b>	<u>169,102</u>	<u>NONE</u>	<u>NONE</u>	<u>169,102</u>
<b>Total Fund Equity</b>	<u>169,102</u>	<u>758,380</u>	<u>NONE</u>	<u>927,482</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$169,796</u>	<u>\$758,380</u>	<u>\$21,038</u>	<u>\$949,214</u>

See accompanying notes and accountant's report.

CROWVILLE FIRE DISTRICT  
Crowville, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget  
(GAAP Basis) and Actual  
For the Year Ended December 31, 2014

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes - ad valorem	\$70,000	\$108,035	\$38,035
State grant	5,000	9,543	4,543
Intergovernmental revenue - state funds-			
Fire insurance rebate	12,000	12,107	107
Use of money and property - interest earnings		265	265
Use of money and property - interest earnings	150	476	326
Total revenues	<u>87,150</u>	<u>130,426</u>	<u>43,276</u>
<b>EXPENDITURES</b>			
Current - public safety:			
Operating services:			
Advertising	\$100	\$114	(\$14)
Utilities	5,000	5,051	(51)
Telephone	1,500	1,391	109
Maintenance of property and equipment	24,000	23,487	513
Professional services	4,000	4,883	(883)
Insurance and surety bonds	8,500	8,352	148
Miscellaneous	350	3,283	(2,933)
Materials and supplies:			
Office supplies	6,500	6,441	59
Operating supplies	2,500	13,424	(10,924)
Travel and other charges	2,750	3,560	(810)
Debt service	1,000	1,282	(282)
Capital outlay	30,600	33,280	(2,680)
Total expenditures	<u>86,800</u>	<u>104,548</u>	<u>(17,748)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>350</u>	<u>25,878</u>	<u>25,528</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>143,224</u>	<u>143,224</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$350</u>	<u>\$169,102</u>	<u>\$168,752</u>

See accompanying notes and accountant's report.

**CROWVILLE FIRE DISTRICT**  
Crowville, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Crowville Fire District was created by the Franklin Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, on November 3, 1987, by ordinance number 3321. The district is governed by a five member board appointed by the police jury. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

## CROWVILLE FIRE DISTRICT

Crowville, Louisiana

### Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district, appoints the commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Franklin Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Franklin Parish financial reporting entity.

#### **B. FUND ACCOUNTING**

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require only the use of governmental funds (General Fund). Annual property assessments approved by voters of the district and interest earnings on investments are accounted for in this fund. General operating expenditures are paid from the fund.

See accountant's report.



## **CROWVILLE FIRE DISTRICT**

Crowville, Louisiana

### **Notes to the Financial Statements (Continued)**

#### **C. FIXED ASSETS AND LONG-TERM DEBT**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized.

Long-term debt, such as bonded debt, is recognized as a liability of a governmental fund only when due. The remaining portion of such debt is reported in the general long-term debt account group.

#### **D. BASIS OF ACCOUNTING**

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

##### **Revenues**

Property assessments are recognized in the year in which the assessments are due.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due when the tax roll is filed with the recorder of mortgages and become delinquent on December 31. Ad valorem taxes are generally collected in November and December of the current year and January and February of the ensuing year.

See accountant's report.

## **CROWVILLE FIRE DISTRICT**

Crowville, Louisiana

### **Notes to the Financial Statements (Continued)**

Interest income on demand and time deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, property assessments have been treated as susceptible to accrual.

#### **Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

#### **E. BUDGET PRACTICES**

A preliminary budget for the ensuing year is prepared by the board of commissioners and made available to the public. The budget is then adopted during the regular December meeting. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. The district does not use encumbrance accounting in its accounting system.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts.

#### **F. CASH AND CASH EQUIVALENTS**

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2014, the district has cash and cash equivalents (book balances) totaling \$62,971 follows:

See accountant's report.

## CROWVILLE FIRE DISTRICT

Crowville, Louisiana

### Notes to the Financial Statements (Continued)

Demand deposits	\$27,256
Time deposits	<u>35,715</u>
Total	<u><u>\$62,971</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All deposits are fully secured by federal deposit insurance at December 31, 2014.

#### **G. RISK MANAGEMENT**

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the fire district maintains a commercial insurance policy covering property and employee liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2014.

#### **H. TOTAL COLUMN ON BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

## **2. RECEIVABLES**

The following is a summary of receivables at December 31, 2014:

<u>Class of receivables:</u>	
Ad valorem taxes	<u><u>\$106,825</u></u>

See accountant's report.

CROWVILLE FIRE DISTRICT  
Crowville, Louisiana  
Notes to the Financial Statements (Continued)

### 3. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 2014:

	Balance January 1,	Additions	Deletions	Balance December 31,
Buildings	\$162,000			\$162,000
Vehicles	509,800	\$33,280		543,080
Equipment	56,300	(3,000)		53,300
Total	<u>\$728,100</u>	<u>\$30,280</u>	<u>NONE</u>	<u>\$758,380</u>

### 4. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 2014:

	...Series 2011... Bond R-1
Long-term debt payable at January 1, 2014	\$21,347
Additions	NONE
Reductions	(309)
Long-term debt payable at December 31, 2014	<u>\$21,038</u>

The Certificates of Indebtedness, Series 2011, for \$50,000, were issued May 20, 2011, for the purpose of purchasing a fire truck. Annual installments range from \$8,000 to \$11,000 and are due through August 31, 2016, at an interest rate of 4.50 percent. Debt requirements are made from the General Fund.

The annual requirements to amortize all bonded debt outstanding at December 31, 2013 is as follows:

Year	Principal	Interest	Total
2015	\$10,431	\$960	\$11,391
2016	10,607	492	11,099
Total	<u>\$21,038</u>	<u>\$1,452</u>	<u>\$22,490</u>

See accountant's report.

## **CROWVILLE FIRE DISTRICT**

Crowville, Louisiana

### **Notes to the Financial Statements (Continued)**

#### **5. LITIGATION AND CLAIMS**

The district is not involved in any litigation at December 31, 2014, nor is it aware of any unasserted claims.

#### **6. COOPERATIVE AGREEMENT**

The district has entered into a cooperative agreement with The Crowville Volunteer Fire Department for operation of the district. Under the agreement, the volunteer fire department is authorized to use any and all property and equipment of the district for fire fighting. The volunteer fire department is responsible for recruiting, training and equipping volunteer fire fighters. Further, the volunteer fire department is responsible for compliance with all applicable laws and regulations and for the upkeep of property and equipment. The Crowville Fire District retains the right to make any additions, expansions, or modifications to its property which it deems advisable. Further, the district is responsible for any insurance required or deemed advisable. Additionally, the district has the right to use the property at any time and in any manner that does not interfere with its use by the volunteer fire department in carrying out its responsibilities.

See accountant's report.

CROWVILLE FIRE DISTRICT  
Crowville, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2014

GORDON RALEY, BOARD PRESIDENT

PURPOSE	AMOUNT
Volunteer fireman reimbursements	\$174

See accountant's report.

CROWVILLE FIRE DISTRICT  
Crowville, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014

**A. SUMMARY OF COMPILATION RESULTS**

1. The compilation report expresses no opinion on the general purpose financial statements of the Crowville Fire District.
2. Two instances of noncompliance material to the financial statements of the Crowville Fire District were disclosed during the compilation.
3. No significant deficiencies relating to the compilation of the financial statements are reported in the Accountant's Compilation Report.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**14-01 Need to Comply with Article VII, Section 14  
of the Louisiana Constitution**

**Finding:** Article VII, Section 14 of the Louisiana Constitution prohibits the fire district from donating funds or things of value to any person, association, or corporation, public or private. During the course of my compilation I noted that during the compilation period the fire district had a training class and fed the volunteer fire fighters spouses and guests. They only had 15 volunteer fire fighters at the party. The cost was approximately \$450.

**Recommendation:** The fire district should not make expenditures in violation of the Constitution.

**Finding 14-02 Need to Comply with Louisiana Local Government Budget Act**

**Finding:** The fire district did not comply with the Local Government Budget Act. LSA-R.S. 39:1310-1311 requires, among other things, that the fire district amend the budget when actual revenues and other sources to date plus projected amounts to year-end are failing to meet budgeted amounts by five percent or more and/or when actual expenditures and other uses to date plus projected amounts to year-end are exceeding budgeted amounts by five percent or more. The actual expenditures exceeded budgeted amounts by approximately 20%.

**Recommendation:** I recommend that the fire district comply with all the requirements of the Louisiana Local Government Budget Act.

See accountant's report.

CROWVILLE FIRE DISTRICT  
Crowville, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2014

**13-01 Need to Comply with Article VII, Section 14  
of the Louisiana Constitution**

**Finding:** Article VII, Section 14 of the Louisiana Constitution prohibits the fire district from donating funds or things of value to any person, association, or corporation, public or private. During the course of my compilation I noted that during the compilation period the fire district purchased signs to support the ad valorem tax election and paid for advertisements supporting the ad valorem tax election.

**Recommendation:** The fire district should not make expenditures in violation of the Constitution.

**Status:** The finding has not been corrected and is included in the current year Schedule of Audit Findings as finding 14-01.

See accountant's report.



Crowville Fire District  
Post Office Box 297  
Crowville, Louisiana 71230-0297

January 15, 2015

To: Legislative Auditor,

Re: Need to Comply with Article VII, Section 14  
of the Louisiana Constitution

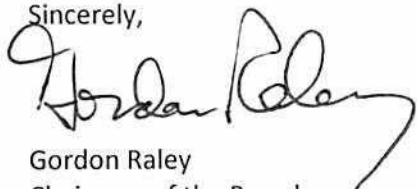
The Crowville Fire District has been made aware that we are in violation of the Louisiana Constitution by allowing expenses to exceed revenue and by purchasing meals for spouses of volunteers at a training session.

The Crowville Fire District board will monitor the budget more closely in the future to prevent non-compliance with the budget act.

The Crowville Fire District board will reimbursement the fire district for the meals of the volunteers' spouses that were purchased at a training session. This violation occurred only once, in December 2014. The board was unaware that we could not purchase meals for spouses at this training session.

We have further addressed these issues at a board meeting and understand our non-compliance. The board has reviewed the statute, and now understands the guidelines and compliance regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Gordon Raley", with a stylized flourish extending from the end.

Gordon Raley  
Chairman of the Board  
Crowville Fire District